



**CITIZEN'S REVENUE REVIEW AND
ECONOMIC COMPETITIVENESS COMMISSION**

**MEETING MINUTES FOR
THURSDAY, FEBRUARY 25, 2010, AT 3:30 P.M.
COUNCIL CHAMBERS (12TH FLOOR),
202 C STREET, SAN DIEGO, CALIFORNIA**

The meeting was called to order at 3:37 PM by Chair Bob Nelson.

Commissioners Present: Moser, Nelson, Morton, Barros, Bonnano, Standifird, Singh

Commissioners Absent: Gin

NON-AGENDA PUBLIC COMMENT:

- Erik Bruvold, President of San Diego Institute for Policy Research, commented on the CPI and property tax/sales tax distribution.

COMMISSION COMMENT(s): None.

COUNCILMEMBER, CITY ATTORNEY, IBA, AND MAYORAL STAFF COMMENT: None.

ADOPTION AGENDA: Action not required.

INFORMATION/DISCUSSION ITEMS:

ITEM-I

Commission Discussion on the City's Economic Competitiveness

- Chairman Nelson discussed upcoming presentations for the Commission.
- Commissioner Standifird indicated that in conjunction with hearing from presenters, he wants to hear how what they present relates to specific City issues.
- Commissioner Singh indicated he wants to know what determines "economic competitiveness" – specific measures.
- Commissioner Singh indicated concern with what the City could actually do to aid input/outputs needs for economic clusters.
- Chairman Nelson indicated interest in whether there is actual migration of business away from San Diego – to both elsewhere in the County as well as outside the Region
- Commissioner Singh – we need data about attrition out of San Diego, attraction, and failure-rate
- Commissioners discussed TOT/occupancy rates/using TOT for promotion.
- Chairman Nelson indicated he would like to see data, testimony regarding how hard it is to do business in San Diego – is it really harder than elsewhere?
Commissioners discussed staffing issues and Mayor's level of commitment to

providing staff.

ITEM-2 Presentation from the Office of the Small Business on Economic Competitiveness

- Presented by Meredith Dibden-Brown
- OSB was created in 1992, one of the first offices of its kind.
- Mission is to manage many of the City's small business programs aimed at enhancing economic opportunities for small businesses and revitalizing commercial neighborhoods.
- In 2009, assisted more than 12,000 businesses in 20 neighborhoods, while managing \$40 million in public funds.
- Commissioner Moser asked whether assistance is given to small tech companies – Brown indicated that most assistance is geared towards retail businesses.
- Chairman Nelson inquired about how much of funding comes from the general fund/versus self-funded/federal – Brown indicated that about half of funding comes from general fund, half from various by special fund sources.
- Commissioner Singh asked about what are the SBO's measures of success/impact – Brown answered that it is not an exact science, but to extent possible, by tracking the trends of sales tax collection in areas where Office assists.
- Commissioner Moser inquired whether increasing licensing fees would increase the Office's funding/capabilities – Brown indicated that funding used to be variable, determined largely by the number of 80,000+ registered business, but now funding for Office is capped at 1,265 million for 3.5 staff positions.
- Chairman Nelson asked whether the Office is subject to furloughs – Brown indicated yes.

ITEM-3 Presentation from Councilman DeMaio on Small Business Summit

- Councilman DeMaio asked that commission emphasize recommendations that grow the tax base rather than raising the rate.
- DeMaio indicated there are 5 areas where the City can do help support small business promotion:
 - 1) Improving access to City contracts – what are the opportunities? Post online, give bidding advantages to local small business; pre-qualify businesses as bulk sellers
 - 2) Making administrative processes easier/faster; improve the cycle time; provide guides/instructions.
 - 3) Providing technical assistance/advocacy
 - 4) City needs to join/ work in conjunction other small business associations – Chamber of Commerce, Economic Development Corp.
 - 5) Keeping taxes/fees low.
- Commissioner Moser disagreed with Councilman's DeMaio's premise that the City takes the approach that the way things are done currently is the best way to do things. DeMaio suggested the City consider "Lean 6-Sigma" approach

especially as it relates to managed competition.

- Commissioner Singh noted that if DeMaio's assertions are correct, then the City wouldn't even adopt the Commission's recommendations – DeMaio commented that the Commission throw caution to the wind and come up with bold ideas and recommendations anyway, and wait for great ideas to take hold.
- Councilman DeMaio requested that commissioners individually go into small businesses unannounced, and ask about their competitiveness issues.

Public Input provided by Councilman's invited guests, Tiffany Sherer, of the BID Council, and Dr. Reuben Garcia, of the Small Business Advisory Board

- More than 90% of employees in San Diego are small business employees.
- Support anything that will help small businesses succeed.
- Chairman Nelson asked if the City has a policy of depositing/investing in local banks who invest in local small businesses – no.

STANDING ITEMS/UPDATES:

ITEM-4 Revenue Review

ITEM-5 Revenue Audit

ITEM-6 Citizens Survey/Public Input

- Independent Budget Analyst Andrea Tevlin reported that a survey draft has been taken to budget committee for final review – looking for results in mid-April.
- Dr. Singh expressed interest in getting raw data for independent analysis.
- Chairman Nelson is attempting to acquire grant money to undertake public meetings held in non-city hall locations.

ITEM-7 Peer Review

- Commissioner Moser commented that she was happy that she was able to get Erik Bruvold to come and comment/present to the Commission

ACTION ITEMS: None.

The meeting was adjourned by Chair Bob Nelson at 6:36PM.

Bob Nelson
Chair